

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1**FINANCIAL REPORT****DECEMBER 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/10/11

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS	1 and 2
BASIC FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues, expenses and changes in net assets	4
Statements of cash flows	5
Notes to financial statements	6-13
SUPPLEMENTARY INFORMATION	
Schedules of board fees	16
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDING WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17 and 18
Schedule of findings and responses	19
Schedule of prior year findings	20



BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

4112 West Congress
P.O. Box 61400
Lafayette, Louisiana 70596-1400
phone: (337) 988-4930
fax: (337) 984-4574
www.bplb.com

Other Offices:

Crowley, LA
(337) 783-5693
Opelousas, LA
(337) 942-5217
New Iberia, LA
(337) 364-4554

Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
P. John Blanchet, III, CPA*
Martha B. Wyatt, CPA*
Mary A. Castille, CPA*
Joey L. Breaux, CPA*
Craig J. Viator, CPA*
Stacey E. Singleton, CPA*
John L. Istre, CPA*
Mary T. Miller, CPA*
Elizabeth J. Moreau, CPA*
Frank D. Bergeron, CPA*
Lonnie J. Hebert, CPA*

Retired:

Sidney L. Broussard, CPA 1925-2005
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA 1992
Geraldine J. Wimberley, CPA 1995
Lawrence A. Cramer, CPA 1999
Ralph Friend, CPA 2002
Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
Herbert Lemoine II, CPA 2008

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation

To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, Louisiana

We have audited the accompanying basic financial statements of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Ambulance District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Parish Ambulance Service District No. 1 as of December 31, 2010 and 2009, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011 on our consideration of Allen Parish Ambulance Service District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The Allen Parish Ambulance Service District No. 1 has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Allen Parish Ambulance Service District No. 1's financial statements as a whole. The accompanying schedule of board fees is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of board fees is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Broussard, Poche, Lewis & Brumfield, L.P.

Lafayette, Louisiana
June 30, 2011

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

BALANCE SHEETS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 50,313	\$ 56,198
Certificates of deposit	400,000	350,000
Patient accounts receivable, net of estimated uncollectibles of \$48,255 and \$85,868 for 2010 and 2009, respectively	98,584	91,758
Ad valorem tax receivable, net of estimated uncollectibles of \$18,507 and \$10,939 for 2010 and 2009, respectively	179,092	151,266
Due from other governmental agencies	259,558	296,644
Inventory	19,337	16,613
Prepaid expenses	32,527	29,008
Other receivables	<u>11,226</u>	<u>28,463</u>
Total current assets	\$ 1,050,637	\$ 1,019,950
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulated depreciation \$439,636 and \$330,934 for 2010 and 2009, respectively	<u>506,617</u>	<u>498,852</u>
Total assets	<u>\$ 1,557,254</u>	<u>\$ 1,518,802</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 13,338	\$ 7,193
Accrued liabilities	<u>90,753</u>	<u>71,582</u>
Total current liabilities	<u>\$ 104,091</u>	<u>\$ 78,775</u>
NET ASSETS		
Invested in capital assets net of related debt	\$ 506,617	\$ 498,852
Unrestricted	<u>946,546</u>	<u>941,175</u>
Total net assets	<u>\$ 1,453,163</u>	<u>\$ 1,440,027</u>
Total liabilities and net assets	<u>\$ 1,557,254</u>	<u>\$ 1,518,802</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended December 31, 2010 and 2009

	2010	2009
Operating revenues:		
Net patient service revenues, net of provision for bad debts of \$212,595 and \$225,282 for 2010 and 2009, respectively	\$ 862,095	\$ 779,592
Other operating revenues	1,681	500
Total operating revenues	<u>\$ 863,776</u>	<u>\$ 780,092</u>
Operating expenses:		
Salaries	\$ 779,799	\$ 714,671
Advertising	2,949	2,143
Board members' per diems	2,200	2,400
Repairs and maintenance	17,635	15,720
Depreciation expense	108,702	55,927
Employee benefits	50,033	52,093
Fuel expense	23,814	16,805
Insurance expense	70,340	78,388
Medical director	3,000	3,250
Other expenses	16,608	10,075
Payroll taxes	13,223	12,882
Postage and delivery	1,335	1,863
Professional expenses	15,533	13,412
Retirement expense	115,840	80,008
Supplies	30,143	34,447
Telephone expense	8,815	9,232
Utilities	11,393	10,619
Total operating expenses	<u>\$ 1,271,362</u>	<u>\$ 1,113,935</u>
Operating loss	<u>\$ (407,586)</u>	<u>\$ (333,843)</u>
Non-operating revenues:		
Ad valorem taxes	\$ 402,473	\$ 455,110
Investment income	10,723	13,159
Gain on disposal of capital assets	-	3,200
Non-capital grants	-	8,375
Total non-operating revenues	<u>\$ 413,196</u>	<u>\$ 479,844</u>
Excess of revenues over expenses before capital grants	<u>\$ 5,610</u>	<u>\$ 146,001</u>
Capital grant income	<u>7,526</u>	<u>4,052</u>
Increase in net assets	<u>\$ 13,136</u>	<u>\$ 150,053</u>
Net assets beginning of year	<u>1,440,027</u>	<u>1,289,974</u>
Net assets end of year	<u>\$ 1,453,163</u>	<u>\$ 1,440,027</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 855,269	\$ 785,971
Payments to suppliers and contractors	(382,959)	(340,164)
Payments to employees	(760,628)	(705,475)
Other receipts and payments, net	<u>18,918</u>	<u>1,475</u>
Net cash used in operating activities	<u>\$ (269,400)</u>	<u>\$ (258,193)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>\$ 411,733</u>	<u>\$ 430,677</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for the purchase of property and equipment	\$ (116,467)	\$ (370,475)
Cash payments for deposits on ambulances	-	347,396
Proceeds from the sale of capital assets	-	3,200
Capital grant income	<u>7,526</u>	<u>4,052</u>
Net cash used in capital and related financing activities	<u>\$ (108,941)</u>	<u>\$ (15,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 10,723	\$ 13,159
Redemption of certificates of deposit	500,000	150,000
Purchase of certificates of deposit	<u>(550,000)</u>	<u>(325,000)</u>
Net cash used in investing activities	<u>\$ (39,277)</u>	<u>\$ (161,841)</u>
Net decrease in cash and cash equivalents	\$ (5,885)	\$ (5,184)
Cash and cash equivalents, beginning	<u>56,198</u>	<u>61,382</u>
Cash and cash equivalents, ending	<u>\$ 50,313</u>	<u>\$ 56,198</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (407,586)	\$ (333,843)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	108,702	55,927
Provision for bad debts	212,595	225,282
Noncapital grants - HRSA	-	8,375
(Increase) decrease in assets-		
Patient accounts receivable	(219,421)	(218,903)
Prepaid expenses	(3,519)	(1,719)
Inventories	(2,724)	(2,301)
Other receivables	17,237	(7,400)
Increase in liabilities-		
Accounts payable	6,145	7,193
Accrued liabilities	<u>19,171</u>	<u>9,196</u>
Net cash used in operating activities	<u>\$ (269,400)</u>	<u>\$ (258,193)</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Allen Parish Ambulance Service District No. 1's (the "Ambulance District") significant accounting policies:

Organization:

The Ambulance District was established by the Allen Parish Policy Jury, by virtue of the authority of R.S. 1261, et seq. The purpose of the Ambulance District is to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care. The Ambulance District is governed by a board of commissioners composed of five qualified voters of the Ambulance District, which are appointed by the Allen Parish Police Jury.

As the governing authority of the Parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for the Ambulance District. Accordingly, the Ambulance District was determined to be a component unit of the Allen Parish Police Jury based on GASB Statement No. 14, *The Financial Reporting Entity*. The accompanying financial statements present only the Ambulance District.

The accompanying basic financial statements of the Ambulance District have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB 34 established standards for external financial reporting for all state and local governmental entities, which included a balance sheet or statement of net assets, a statement of revenues, expenditures and changes in net assets, and a statement of cash flows utilizing the direct method of presentation. The Statement requires the classification of net assets into four components: invested in capital assets, net of related debt; restricted expendable net assets; restricted non-expendable net assets; and unrestricted net assets. *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted expendable net assets* are non-capital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Ambulance District. *Restricted non-expendable net assets* equal the principal portion of permanent endowments. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*. These and other changes are reflected in the accompanying basic financial statements (including the notes to the financial statements).

The more significant accounting policies of the Ambulance District are described below:

Method of accounting:

The Ambulance District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide - Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Accounting standards:

Pursuant to the GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Ambulance District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Use of estimates:

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Trade receivables and allowance for uncollectible accounts:

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment:

Property, plant, and equipment is stated at cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the basic financial statements. Donated property is recorded at its estimated fair value, at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	10 years
Buildings	25 - 30 years
Equipment	5 - 10 years

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Net patient revenue:

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Grants and donations:

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Operating revenues and expenses:

The Ambulance District's statements of revenues, expenses and changes in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services the Ambulance District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income taxes:

The Ambulance District is a political subdivision and exempt from taxes.

Advertising:

The Ambulance District expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2010 and 2009 totaled \$2,949 and \$2,143, respectively.

Risk management:

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Restricted resources:

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the Ambulance District's policy to use restricted resources before unrestricted resources.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Environmental matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2010, management is not aware of any liability resulting from environmental matters.

Note 2. Third-Party Payor Arrangements

The Ambulance District participates in the Medicare and Medicaid programs as a provider of ambulance services to program beneficiaries. During the years ended December 31, 2010 and 2009, approximately 63% and 57%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Ambulance District believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Ambulance District has agreements with third-party payors that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Medicare** – Covered ambulance services are paid based on a fee schedule.

- Medicaid** – Covered ambulance services are paid based on a fee schedule.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip and prospectively determined rates. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 3. Net Patient Service Revenues

Net patient service revenues for the years ended December 31, 2010 and 2009 were as follows:

	2010	2009
Gross patient service revenue	\$ 1,820,737	\$ 1,602,837
Coushatta tribe contract revenue	132,750	72,000
Total gross patient service revenues	\$ 1,953,487	\$ 1,674,837
Less:		
Medicare and Medicaid contractual adjustments	(713,249)	(531,840)
Provision for bad debts	(212,595)	(225,282)
Coushatta tribe contract discounts	(31,187)	(24,054)
Insurance and other discounts	(134,361)	(114,069)
Net patient service revenues	\$ 862,095	\$ 779,592

Note 4. Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2010, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). As of December 31, 2010 and 2009, \$450,313 and \$415,922, respectively, of the Ambulance District's bank balances and certificates of deposits were not exposed to credit risk. As of December 31, 2010, these deposits were secured from risk by \$300,313 of FDIC coverage and \$150,000 by pledged securities. As of December 31, 2009, the District's deposits were secured from risk by \$315,922 of FDIC coverage and \$100,000 by pledged securities.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 5. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2010 and 2009 consisted of these amounts:

<u>Patient Accounts Receivable</u>	<u>2010</u>	<u>2009</u>
Receivable from patients and their insurance carriers	\$ 125,650	\$ 133,385
Receivable from Medicare	13,392	37,332
Receivable from Medicaid	7,797	6,909
Total patient accounts receivable	\$ 146,839	\$ 177,626
Less allowance for uncollectible amounts	(48,255)	(85,868)
Patient accounts receivable, net	<u>\$ 98,584</u>	<u>\$ 91,758</u>

Note 6. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Medicare	9 %	21 %
Medicaid	5 %	4 %
Other third-party payors/patients	<u>86 %</u>	<u>75 %</u>
	<u>100 %</u>	<u>100 %</u>

Note 7. Ad Valorem Taxes

The Ambulance District levied 10.02 mills for the years ended December 31, 2010 and 2009.

The Ambulance District received approximately 32% in 2010 and 36% in 2009 of its financial support from ad valorem taxes. These funds were used to support operations.

The Ambulance District's property tax is levied by the parish on the taxable real property in the Ambulance District in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, and become a lien in the following March. The collection period for the Ambulance District's property taxes is from December (at which time they become delinquent) to the succeeding May.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 8. Capital Assets

Capital asset additions, retirements, and balances for the years ended December 31, 2010 and 2009 were as follows:

	December 31,		December 31,	
	2009	Additions	Retirements	2010
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Equipment	112,021	113,651	-	225,672
Office equipment	34,826	2,816	-	37,642
Buildings improvements	31,962	-	-	31,962
Ambulances	496,886	-	-	496,886
Building	149,091	-	-	149,091
Total historical cost	\$ 829,786	\$ 116,467	\$ -	\$ 946,253

Less accumulated depreciation for:

Equipment	\$ (64,749)	\$ (30,402)	\$ -	\$ (95,151)
Office equipment	(29,304)	(2,746)	-	(32,050)
Buildings improvements	(23,888)	(845)	-	(24,733)
Ambulances	(184,230)	(69,479)	-	(253,709)
Building	(28,763)	(5,230)	-	(33,993)
Total accumulated depreciation	\$ (330,934)	\$ (108,702)	\$ -	\$ (439,636)
Capital assets, net	\$ 498,852	\$ 7,765	\$ -	\$ 506,617

	December 31,		December 31,	
	2008	Additions	Retirements	2009
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Equipment	88,942	23,079	-	112,021
Office equipment	34,826	-	-	34,826
Buildings improvements	31,962	-	-	31,962
Ambulances	194,490	347,396	(45,000)	496,886
Building	149,091	-	-	149,091
Total historical cost	\$ 504,311	\$ 370,475	\$ (45,000)	\$ 829,786

Less accumulated depreciation for:

Equipment	\$ (52,302)	\$ (12,447)	\$ -	\$ (64,749)
Office equipment	(26,638)	(2,666)	-	(29,304)
Buildings improvements	(23,044)	(844)	-	(23,888)
Ambulances	(194,490)	(34,740)	45,000	(184,230)
Building	(23,533)	(5,230)	-	(28,763)
Total accumulated depreciation	\$ (320,007)	\$ (55,927)	\$ 45,000	\$ (330,934)
Capital assets, net	\$ 184,304	\$ 314,548	\$ -	\$ 498,852

Depreciation expense for the years ended December 31, 2010 and 2009 amounted to \$108,702 and \$55,927, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 9. Compensated Absences and Sick Time

Ambulance employees earn 168 to 240 hours of vacation (depending on years of service) and office employees earn 120 vacation hours per year. Only employees with at least one year of service are eligible for vacation days. These vacation days can accrue to a maximum of 336 to 480 hours for Ambulance employees and a maximum of 240 hours for office employees. Accrued compensated absences at December 31, 2010 and 2009 was \$21,327 and \$23,022, respectively.

In December of 2009, the Ambulance District started a policy that allows field personnel to be paid for sick time on a yearly basis. The determination of the payment amount is limited to a threshold based on years of service. This threshold is defined in the Ambulance District's employee manual. Employees must be employed by the Ambulance District for at least one year and the sick days will not be paid upon retirement or separation of employment from the Ambulance District. The first payment was made in 2010 and resulted in an expense to the District of \$17,330.

Note 10. Retirement

Plan Description. Substantially, all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Ambulance District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Ambulance District funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60, with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service as previously stated and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The Parochial Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225)928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Ambulance District is required to contribute at an actuarially determined rate of 15.75% and 12.25% of annual covered payroll for 2010 and 2009, respectively. Contributions to the System include one-fourth of one percent of the amount of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Ambulance District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ambulance District's contributions to the System under Plan A for the years ended December 31, 2010, 2009 and 2008 were \$115,840, \$80,008, and \$86,675, respectively, and equal to the required contribution for each year.

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULES OF BOARD FEES
Years Ended December 31, 2010 and 2009

Board Members:

	2010	2009
Elsie Frank	\$ 500	\$ 450
Lowell Keys	550	600
Jackie Holland	500	600
Susan Doumite	200	400
Yvonne Hyatt	450	350
	<u>\$ 2,200</u>	<u>\$ 2,400</u>

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Ambulance Service District's Board Members receive \$50 for each day of attendance at meetings of the commission.



BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

4112 West Congress
P.O. Box 61400
Lafayette, Louisiana 70596-1400
phone: (337) 988-4930
fax: (337) 984-4574
www.bplb.com

Other Offices:

Crowley, LA
(337) 783-5693

Opelousas, LA
(337) 942-5217

New Iberia, LA
(337) 364-4554

Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
P. John Blanchet, III, CPA*
Martha B. Wyatt, CPA*
Mary A. Castille, CPA*
Joey L. Breau, CPA*
Craig J. Viator, CPA*
Stacey E. Singleton, CPA*
John L. Istre, CPA*
Mary T. Miller, CPA*
Elizabeth J. Moreau, CPA*
Frank D. Bergeron, CPA*
Lonnie J. Hebert, CPA*

Retired:

Sidney L. Broussard, CPA 1925-2005
Leon K. Poché, CPA 1984
James H. Breau, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA 1992
Geraldine J. Wimberley, CPA 1995
Lawrence A. Cramer, CPA 1999
Ralph Friend, CPA 2002
Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
Herbert Lemoine II, CPA 2008

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, Louisiana

We have audited the basic financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2010 and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Ambulance Service District No. 1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Allen Parish Ambulance Service District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Ambulance Service District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal award agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche, Lewis & Breaux, L.L.P.

Lafayette, Louisiana
June 30, 2011

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2010

We have audited the basic financial statements of Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of and for the year ended December 31, 2010 resulted in an unqualified opinion.

Section I. Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Control deficiency(ies) identified that we do not consider to be material material weaknesses ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☐ Yes ☒ No

Section II. Financial Statement Findings

2010-1 Segregation of Duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2009 audit as item 2009-1.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Section III. Federal Award Findings and Questioned Costs

Not applicable.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

**SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2010**

Section I. Internal Control and Compliance Material to the Financial Statements

2009-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

Current status: NOT RESOLVED – The Ambulance District is aware of and has evaluated this issue and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. The Ambulance District will continue to monitor this issue with segregation of duties, and continues to review all financial information on a timely basis. This finding is also included in the audit report for the year ended December 31, 2010 and described in 2010-1.

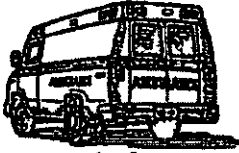
Section II. Internal Control and Compliance Material to the Federal Awards

Not applicable.

Section III. Management Letter

Not applicable.

ALLEN PARISH AMBULANCE SERVICE DIST I



215 n ninth st.
p.o. box 1319
kinder, louisiana 70648-1319
office phone: 337-738-2674 fax: 337-738-3027

Director Mark Lyons
Asst Director Jane Lormand
Office Manager Carla Marcantel

MANAGEMENT CORRECTIVE ACTION PLAN

June 30, 2011

Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Allen Parish Ambulance Service District No 1 respectfully submits the following corrective action plan for the year ended December 31, 2010.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.
Certified Public Accountants
101 Independence Blvd
Lafayette, Louisiana 70506

Audit Period: January 1, 2010 through December 31, 2010.

The findings from the 2010 schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

Section II: Financial Statement Findings

2010-1 - Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would no be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Responsible party: Mark Lyons, Director

A handwritten signature in black ink, appearing to read 'M Lyons'.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1